

**MINUTES OF THE SPECIAL MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
JUNE 30, 2016
5:30 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Brian Wright-Finance Director

I. CALL TO ORDER

Mayor Belloc called the meeting to order at approximately 5:32 p.m.

Invocation was given by Councilmember Tidwell.

II. PLEDGE OF ALLEGIANCE

Mayor Belloc led Council and the public in the Pledge of Allegiance.

III. ROLL CALL

Council Members Present: Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez; Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember J.W. Tidwell; Councilmember Augustine Saucedo; Councilmember J.R. Nagy

Council Members Absent: None

IV. BUSINESS

A. PUBLIC HEARING ON TRUTH IN TAXATION – PRIMARY PROPERTY TAXES FOR FISCAL YEAR 2016-2017.

Cover sheet discussion: *In accordance with Truth in Taxation Legislation, the City of Eloy has published notices of this hearing on June 16th and June 23rd in the local paper, which is in accordance with state law. Since the increase in the primary tax levy proposed is greater than the amount that can be generated by new construction, this hearing is required.*

This year's primary property tax rate of \$1.2296 will generate an additional \$20,670 exclusive of new construction for fiscal year 2016 – 2017. The primary property tax for the City of Eloy will increase from \$117.01 to \$122.96. On a home assessed at \$100,000 assuming there is no change in the property valuation, the annual increase would be \$5.95. The primary property tax levy is scheduled to be adopted on Monday, July 11, 2016 at 6:00 p.m.

FISCAL IMPACT:

The total amount generated from a primary tax rate of \$1.2296 will be \$1,050,275 annually.

Mayor Belloc declared the public hearing open to hear comments and/or questions from the public regarding the truth in taxation – primary property taxes for FY 2016-17.

Before hearing from the public, Mr. Wright gave a PowerPoint presentation on the property tax levy. During his presentation, Mr. Wright fielded questions from Council.

It was at this time Mayor Belloc allowed comments from the public. He informed those wishing to speak that they will be given three minutes each.

The following individuals commented and/or questioned Council about the property tax levy:

1. Arthur Boren – 5466 N. Pioneer Drive

Mr. Boren asked no questions or had any comments about the property tax increase. He briefly spoke about Council and staff's attendance at the League of Arizona Cities and Towns annual conference in Tucson last year. He also voiced concern about five members of Council attendance at the National Association of Latino Elected Officials (NALEO) conference in Washington, D.C. earlier this month and the cost to taxpayers. Mr. Boren told Council that neither conference benefitted the community.

Mayor Belloc told Mr. Boren that he had gone beyond the three minute limit. He recommended that Mr. Boren address his concerns in a letter to Council and Council for their response.

Mr. Boren accused the Council of trying to cut him off because they were not going to like what he was about to say.

Vice Mayor Powell explained to Mr. Boren that he had gone beyond the three minute limit. He told Mr. Boren that he needs to respect the Council and sit down like Mayor Belloc asked him to.

2. Ms. Lany Kay Martell – 5265 N. Parker Way.

Ms. Martell conveyed that she too wanted to know why so many Councilmember attended the conference at a cost of \$12,044.60 to taxpayers.

Ms. Martell said according to the finance director and the slide presentation, it shows economic conditions should remain stable and that the city expects to collect one to two percent annually and another three percent in revenue annually. Based on this information, she wanted to know why there is a need for a tax increase at all.

Mr. Wright explained the reason for the proposed property tax increase.

3. Mr. Boren asked about the Monsanto waterline project in the budget. He said the city is paying \$1.5 million to put in water lines for Monsanto.

Mr. Krauss explained that the city is budgeting for the project; however it's being paid for by Monsanto. He said the money has to come through the city, so it has to be budgeted. Mr. Krauss assured Council and the public that no city funds will be spent.

There being no further questions and/or comments from the public, Mayor Belloc declared the public hearing closed.

B. PUBLIC HEARING ON THE CITY OF ELOY ANNUAL BUDGET FOR FISCAL YEAR 2016-2017.

Cover sheet discussion: *A public hearing is required prior to the final adoption of the Annual Budget. This is the last step before adopting the budget for Fiscal Year 2016 - 2017. On June 13, 2016, the City Council adopted Resolution 16-1385 adopting a tentative budget in the amount of \$38,607,525. On June 16^h and June 23rd, Schedules A-G were published in the local paper in accordance with state law.*

FISCAL IMPACT:

The total of all funds for the FY2016-2017 Annual Budget for the City of Eloy is \$38,607,525.

Mayor Belloc declared the public hearing open to hear comments and/or questions from the public regarding the FY 2016-17 city budget.

Mr. Krauss gave a brief overview of the proposed budget.

Mayor Belloc opened the floor for comments and/or questions from the public.

Arthur Boren - 5466 N. Pioneer Drive. Mr. Boren asked Council about several contributions that were budgeted:

- Contribution to Eloy Chamber of Commerce;
- Contribution to high school for scholarships;
- Contribution to CDLU
- Membership dues to League of Arizona Cities and Towns;
- Travel/training expenses to conferences such as NALEO.

Mr. Boren wanted to know what these organizations do for the community as a whole to warrant a gift of taxpayers' money.

Several members of the Council provided explanations to Mr. Boren about the organizations.

Mayor Belloc conveyed to the public that earlier this year, various organizations and agencies in the city were invited to come before Council at a work session to request funding for next fiscal year. Each organization gave a presentation and explained the reason why they were requesting a specific amount. Mr. Belloc said this information is all on record.

Councilmember Tidwell directed Mrs. Myers and Mr. Krauss not to submit or approve any paperwork that requires the city to reimburse him for his travel to the League of Arizona Cities and Towns conference luncheon next month. He does not believe the citizens of Eloy will benefit from him driving up to Scottsdale for a free lunch and having his picture taken with other Arizona elected officials who have 12 years of service.

Councilmember Tidwell said he does not see anywhere in the community where attending these types of conferences have benefitted the city at all.

There was Council discussion about the benefits of attending conferences.

Councilmember Tidwell reiterated that he has not seen any benefit to the community that comes from Council attending conferences.

There being no further questions and/or comments from the public, Mayor Belloc declared the public hearing closed.

C. ADOPTION OF RESOLUTION NO.: 16-1393 APPROVING THE FINAL BUDGET FOR FISCAL YEAR 2016-2017 FOR \$38,607,525.

Cover sheet discussion: *The Mayor and Council, at its regular meeting on June 13, 2016, adopted Resolution 13-1385 approving the tentative budget for fiscal year 2016-2017 in the amount of \$38,607,525. Staff has published Schedules A-G twice in the local newspaper as per statutory requirements.*

A public hearing has been held regarding property tax and final budget in accordance with state law. Upon adoption of the final budget, a date will be set for adoption of the property tax levy. This date will be July 11, 2016 at 6:00 p.m. The final property tax rate will be determined by the Pinal County Board of Supervisors and is estimated to be \$1.2296 per \$100 assessed valuation. Attached is copy of the publicized budget. A copy of the budget will be available to the public at City Hall and the Santa Cruz/Eloy Library.

FISCAL IMPACT:

The annual budget for fiscal year 2016-2017 is \$38,607,525.

There being no questions and/or comments from Council, Mayor Belloc called for a motion.

Motion by Vice Mayor Powell seconded by Councilmember Saucedo to read Resolution No. 16-1393 by title only, passed unanimously.

Motion by Vice Mayor Powell, seconded by Councilmember Nagy to adopt Resolution No. 13-1393, passed by the following roll call vote:

Yea: Councilmember Rodriguez; Vice Mayor Powell; Councilmember Galindo; Councilmember Nagy; Councilmember Saucedo; Mayor Belloc

Nay: Councilmember Tidwell *(based on information on Schedules B and E in the budget)*

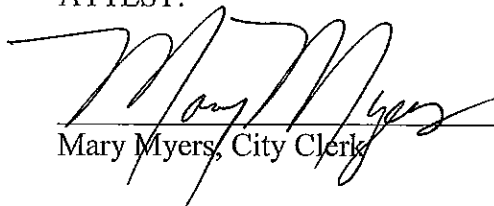
V. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 6:47 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk